

CITY OF MATLOSANA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007				
5 CREDITORS			R	R
Trade creditors			84 934	0
Other creditors			18 732 023	15 871 518
Payment received in advance			16 646 169	10 882 812
Suspense accounts			1 806 053	1 093 779
Total Creditors			37 269 180	27 648 109
Included in other creditors are retention money R 5 338 332, creditors Market R 1 603 406, creditors provision R 2 511 228, creditors private works R 1 014 288 and salary suspense R 6 997 335.				
			2007	2006
			R	R
6 UNSPENT CONDITIONAL GRANTS AND RECEIPTS				
6.1 Conditional Grants from other spheres of Government			53 885 284	28 531 649
MIG Grants (see note 18.5)			9 503 025	14 431 202
Provincial LED Projects (see note 18.6)			856 090	1 238 990
Provincial Capital Grants (see note 18.7)			40 671 048	8 305 780
National Electricity Regulator (see note 18.8)			496 900	541 790
Finance Management Grant (see note 18.9)			1 749 621	3 355 288
Department of Water Affairs (see note 18.11)			608 600	608 600
Provincial Government Grants (see note 18.12)			0	50 000
6.2 Other Conditional Receipts			0	0
Development Bank of South Africa (see note 18.10)			0	0
Public contributions (see note 18.3)			0	0
Total Conditional Grants and Receipts			53 885 284	28 531 649
			2007	2006
			R	R
7 VAT				
VAT payable			29 194 123	22 245 866
VAT is payable on the cash basis.				
			2007	2006
			R	R
8 INVESTMENTS				
Unlisted				
Senwes			45 082	28 781
			45 082	28 781
Financial Instruments				
Fixed Deposits			6 930 133	6 230 006
Total Cash Investments			6 930 133	6 230 006
Total Investments			6 975 216	6 258 787
Valuation of unlisted investments				
Senwes			45 082	28 781
			45 082	28 781
Allocation of external investments:				
In terms of legislation, surplus cash is invested until used for specific purposes. Investments are allocated on the following basis:-				
Redemption of Long-Term Liability (Maturing June 2019)			6 930 133	6 230 006
Accumulated Surplus/(Deficit)			45 082	28 781
Total			6 975 216	6 258 787

CITY OF MATLOSANA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

9.1 PROPERTY, PLANT AND EQUIPMENT

30 June 2007

Reconciliation of Carrying Value	Land and Buildings	Infra-structure	Community	Heritage	Other	Total
	R	R	R	R	R	R
Carrying values at 1 July 2006	92 491 036	331 857 887	30 649 173	1 338 691	47 851 456	504 188 243
Cost	117 740 049	478 125 466	50 387 252	1 423 416	181 768 715	829 444 898
Correction of error	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Accumulated depreciation	(25 249 013)	(146 267 580)	(19 738 079)	(84 725)	(133 917 259)	(325 256 655)
- Cost	(25 249 013)	(146 267 580)	(19 738 079)	(84 725)	(133 917 259)	(325 256 655)
- Revaluation	0	0	0	0	0	0
Acquisitions	13 866 061	127 919 247	15 440 814	147 120	11 599 024	168 971 267
Capital under Construction	0	0	0	0	0	0
Increases/decreases in revaluation	0	0	0	0	0	0
Depreciation	(2 332 077)	(27 730 730)	(1 896 100)	0	(13 195 610)	(45 154 517)
- based on cost	(2 332 077)	(27 730 730)	(1 896 100)	0	(13 195 610)	(45 154 517)
- based on revaluation	0	0	0	0	0	0
Carrying value of disposals	(505 488)	(8 139 186)	(902 503)	0	(467 314)	(10 014 490)
Cost/revaluation	(2 172 477)	(8 722 613)	(933 624)	0	(2 571 045)	(14 399 759)
Accumulated depreciation	1 666 989	583 427	31 121	0	2 103 731	4 385 269
Impairment losses	0	0	0	0	0	0
Other movements	0	0	0	0	0	0
Carrying values at 30 June 2007	103 518 532	423 907 218	43 291 385	1 485 811	45 787 556	617 990 502
Cost	129 432 633	597 322 100	64 894 443	1 570 536	190 796 693	984 016 405
Revaluation	0	0	0	0	0	0
Accumulated depreciation	(25 914 101)	(173 414 882)	(21 603 058)	(84 725)	(145 009 137)	(366 025 903)
Cost	(25 914 101)	(173 414 882)	(21 603 058)	(84 725)	(145 009 137)	(366 025 903)
Revaluation	0	0	0	0	0	0

30 June 2006

Reconciliation of Carrying Value	Land and Buildings	Infra-structure	Community	Heritage	Other	Total
	R	R	R	R	R	R
Carrying values at 1 July 2005	89 752 300	251 479 189	22 037 270	1 292 246	50 919 553	415 480 558
Cost	112 938 988	377 410 677	40 486 799	1 376 971	173 564 773	705 778 208
Correction of error	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Accumulated depreciation	(23 186 688)	(125 931 489)	(18 449 529)	(84 725)	(122 645 220)	(290 297 651)
- Cost	(23 186 688)	(125 931 489)	(18 449 529)	(84 725)	(122 645 220)	(290 297 651)
- Revaluation	0	0	0	0	0	0
Acquisitions	4 801 061	100 754 597	9 900 453	46 445	10 914 985	126 417 541
Seperation Inventory from Assets	0	0	0	0	0	0
Capital under Construction	0	0	0	0	0	0
Increases/decreases in revaluation	0	0	0	0	0	0
Depreciation	(2 062 325)	(20 375 899)	(1 288 550)	0	(13 983 082)	(37 709 856)
- based on cost	(2 062 325)	(20 375 899)	(1 288 550)	0	(13 983 082)	(37 709 856)
- based on revaluation	0	0	0	0	0	0
Carrying value of disposals	0	0	0	0	0	0
Cost/revaluation	0	(39 808)	0	0	(2 711 043)	(2 750 852)
Accumulated depreciation	0	39 808	0	0	2 711 043	2 750 852
Impairment losses	0	0	0	0	0	0
Other movements	0	0	0	0	0	0



CITY OF MATLOSANA						
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007						
						0
Carrying values at 30 June 2006	92 491 036	331 857 887	30 649 173	1 338 691	47 851 456	504 188 243
Cost	117 740 049	478 125 466	50 387 252	1 423 418	181 768 715	829 444 898
Revaluation	0	0	0	0	0	0
Accumulated depreciation	(25 249 013)	(146 267 580)	(19 738 079)	(84 725)	(133 917 259)	(325 256 655)
Cost	(25 249 013)	(146 267 580)	(19 738 079)	(84 725)	(133 917 259)	(325 256 655)
Revaluation	0	0	0	0	0	0
The revaluation surplus is reconciled as follows:					2007	2006
					R	R
Balance at beginning of year						
Surplus realized						
Balance at end of year					0.00	0
Refer to Appendix B for more detail on property, plant and equipment, including those in the course of construction.						
The Municipality has taken advantage of the transitional provisions set out in GAMAP 17. The Municipality is in the process of itemizing all infrastructure and community assets and will recalculate accumulated depreciation once this exercise has been completed by 30 June 2008. At present depreciation on these assets is calculated on an averaging basis whereby an average useful life has been estimated for each category of infrastructure and community assets, using global historical costs recorded in the accounting records. Furthermore, the Municipality has not assessed whether items of property, plant and equipment are impaired. It is expected that an assessment of impairments will be done by 30 June 2008. The Council did not review the useful life or the depreciation method used on the assets recognised in the annual financial statements for the 2006/07 financial year due to the exemption granted in Gazette 30013.						
					2007	2006
					R	R
9.2 INVESTMENT PROPERTIES						
Cost					5 392 196	5 392 196
Total Investment Properties					5 392 196	5 392 196



CITY OF MATLOSANA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2007 R	2006 R
10 LONG-TERM RECEIVABLES		
Car loans	13 321	304 131
Bursary loans	507 389	567 483
Sport bodies	347 785	361 144
High tension connections	14 984	19 603
Abattoir	10 280 000	10 280 000
Sale of Stands	0	0
Sale of Stands Housing	3 283 924	292 810
Housing houses	8 968 596	8 391 926
	23 415 998	20 217 096
Less : Short-term portion transferred to current assets	688 165	416 501
Car loans	13 447	234 799
Bursary loans	263 759	62 845
Sport bodies	13 666	13 001
High tension connections	4 941	4 257
Sale of Stands	392 352	101 599
Total	22 727 833	19 800 595
CAR LOANS		
Council do not grant any new car loans as it is prohibited by the MFMA. The current car loans are those that were granted before the start of the MFMA and were granted to Managers at an interest rate between 8% and 11%. Different loan schemes were in place. New loan were based on 40% to 55% of the Manager's total remuneration package and the repayment period did not exceeded the term of the Manager's contract.		
BURSARY/STUDY LOANS		
Different loan schemes were in place. Loans were granted to officials and public for study purposes at various interest rates and repayable over a maximum period of 5 years. In terms of MFMA no new loans may be granted.		
SPORT BODIES		
Different loan schemes are in place for various sporting bodies. The interest rates fluctuate between 5% to 15% repayable over a period from 5 years to 20 years. The MFMA also stopped this practice.		
HIGH TENSION CONNECTIONS		
Council do not grant any high tension loans as it is prohibited by MFMA. High tension loans were granted to public who made applications to the Council. The maximum loan amount should be R 35 000. Loans were determined at 15% interest rate and repayable over a period of 60 months.		
SALE OF STANDS		
Stands were sold to public and is also prohibited by the MFMA. Sale of stands were determined at 15% interest rate repayable over a period of 60 months.		
SALE OF HOUSES		
Houses were sold to public and is also prohibited by the MFMA. Sale of houses were determined at 15% interest rate repayable over a period of 60 months.		
ABATTOIR		
The abattoir surety holder has been liquidated and a civil claim is pending. The opinion is that the full amount will not be recovered. A calculation of possible recovery is not possible at this stage. The Abattoir was also put on tender subsequent to the compilation of the statements. An amount of R 2,508 million was tendered and the tender has been accepted. The claim against the previous purchaser is continuing.		



CITY OF MATLOSANA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007				
			2007 R	2006 R
11 INVENTORY				
Consumable stores - at cost			8 401 395	10 271 413
Museum stores - at authorized value			158 772	141 285
Nature reserve -wild stock			3 438 250	2 643 425
Unsold properties held for resale at council resolution or municipal valuation			5 205 371	5 322 589
Total Inventory			17 203 787	18 378 712
The Council did not recognised the purchased of water stock in the annual financial statements for the 2006/07 financial year due to the exemption granted in Gazette 30013. See note 28.6 for inventory shortages and surpluses. The nature of calculating the estimated value of Nature Reserve (Wild Stock) was changed from 50% in the 2005/06 financial year to 100% in the 2006/07 financial year. If this policy was applied in previous years it would have resulted in a larger surplus and the stock value would have been R2,6 m more. This change in estimation is reported in terms of GRAP3.39 and will be used in future. The effect on future estimates are impracticable to estimate at this stage.				
12 CONSUMER DEBTORS				
As at 30 June 2007		Gross Balances	Provision for Bad Debts	Net Balance
Service debtors		501 250 082	430 278 179	70 971 904
Rates		89 400 816	81 589 905	7 810 911
Electricity		30 239 157	29 574 593	664 564
Water		80 844 824	65 747 252	15 097 572
Sewerage		46 103 685	42 320 322	3 783 363
Refuse		42 602 973	38 411 589	4 191 384
Other debtors		212 058 627	172 634 517	39 424 110
Total		501 250 082	430 278 179	70 971 904
As at 30 June 2006				
Service debtors		429 221 985	358 186 661	71 035 324
Rates		74 178 845	67 919 818	6 259 027
Electricity		27 280 369	24 619 479	2 660 890
Water		67 084 241	54 731 543	12 352 697
Sewerage		40 678 745	35 229 709	5 449 036
Refuse		37 027 880	31 975 869	5 052 010
Other debtors		182 971 906	143 710 242	39 261 663
Total		429 221 985	358 186 661	71 035 324
			2007 R	2006 R
Rates : Ageing				
Current (0 - 30 days)			8 228 648	7 549 367
31 - 60 Days			3 082 984	2 725 514
61 - 90 Days			2 717 811	2 872 397
90+ Days			75 371 373	61 031 567
Total			89 400 816	74 178 845
(Electricity, Water, Refuse, Sewerage and other debtors) :				
Current (0 - 30 days)			32 125 928	30 492 804
31 - 60 Days			10 444 485	9 375 371
61 - 90 Days			10 092 306	7 749 282
90+ Days			359 186 548	307 425 682
Total			411 849 266	355 043 140
Housing rentals : Ageing				
Current (0 - 30 days)			241 997	96 502
31 - 60 Days			277 539	91 876
61 - 90 Days			185 767	97 346
90+ Days			14 135 687	6 772 684
Total			14 840 991	7 058 207



CITY OF MATLOSANA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

Summary of Debtors by Customer Classification				
Classification	Consumers	Industrial/Commercial	National and Provincial Government	Other
30 June 2007				
	R	R	R	R
Current (0 - 30 days)	36 769 414	2 871 971	547 907	619 090
31 - 60 Days	12 632 481	773 932	86 392	678 546
61 - 90 Days	11 795 287	782 765	65 063	636 776
90+ Days	402 776 521	9 240 592	1 434 148	19 639 198
Sub-total	463 873 703	13 669 260	2 139 509	21 573 610
Less: Provision for bad debts	398 193 914	11 733 832	1 831 426	18 519 007
Plus: Reversal of Bad Debts	0			
Total debtors by customer classification	65 679 789	1 935 428	302 083	3 054 603
Summary of Debtors by Customer Classification				
Classification	Consumers	Industrial/Commercial	National and Provincial Government	Other
30 June 2006				
	R	R	R	R
Current (0 - 30 days)	30 237 611	3 573 375	89 784	4 141 401
31 - 60 Days	8 071 161	1 048 221	59 412	2 922 091
61 - 90 Days	6 977 446	822 349	47 927	2 773 957
90+ Days	208 145 863	10 122 725	666 757	149 521 904
Sub-total	253 432 081	15 566 670	863 880	159 359 353
Less: Provision for bad debts	211 489 612	12 990 420	720 910	132 985 720
Total debtors by customer classification	41 942 469	2 576 251	142 970	26 373 633
Provision for bad debts was calculated as a percentage proportionally to the outstanding amounts.				
PROVISION FOR BAD DEBTS				
Balance at 1 July			358 186 661	277 074 522
Contribution for the year			72 034 070	82 523 000
Reversal of Bad Debts			89 882	0
Written off for the year			(32 435)	(1 410 861)
Balance at 30 June			430 278 179	358 186 661
			2007	2006
			R	R
13 OTHER DEBTORS				
Unauthorized expenditure (see Note 32.1)			34 995	0
Fruitless and wasteful expenditure (see Note 32.2)			161 958	0
Insurance claims			2 704 570	1 227 431
National Electricity Regulator			0	0
Short-term loans and other			34 094 506	24 963 466
Housing (Internal Loan)			11 000 000	0
Provincial health subsidies			2 727 810	0
District Municipality Environmental Health			826 515	2 906 220
Payment made in advance			125 265	0
Market			952 593	984 337
Housing rentals			17 103 215	12 202 898
Suspense accounts			156 270	913 958
Total Other Debtors			69 887 697	43 198 310
			2007	2006
			R	R
14 CALL INVESTMENT DEPOSITS				
Other Deposits			180 692 249	115 748 289
Allocation of external investments				
In terms of legislation, surplus cash is invested until used for specific purposes. Investments are allocated on the following basis:-				
Ex Gratia Pension Reserve			139 091	164 843
Capital Replacement Reserve			6 186 410	6 206 389
Unspent conditional grants and receipts			53 885 284	28 531 649
Self Insurance Fund			13 803 554	13 867 462
Housing Development Fund			6 230 166	6 230 166
Accumulated Surplus/(Deficit)			100 467 744	60 747 780
Total			180 692 249	115 748 289
The total amount invested in cash for Accumulated Surplus/(Deficit) amounts to R 100 512 826 (See also Note 14)				



CITY OF MATLOSANA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007					
				2007 R	2006 R
15 BANK, CASH AND OVERDRAFT BALANCES					
The Municipality has the following bank accounts:					
Current Account (Primary Bank Account)					
ABSA Bank - Church street Klerksdorp					
Account Number : 4060008684					
Cash book balance at beginning of year				6 765 168	189
Cash book balance at end of year				7 682 597	6 765 168
Bank statement balance at beginning of year				6 765 168	189
Bank statement balance at end of year				7 790 073	6 765 168
ABSA Bank - Church street Klerksdorp					
Account Number : 01000100176					
Cash book balance at beginning of year				16 833 944	(15 515 107)
Cash book balance at end of year				21 483 335	16 833 944
Bank statement balance at beginning of year				53 629 032	5 132 090
Bank statement balance at end of year				27 765 028	53 629 032
ABSA Bank - Church street Klerksdorp					
Account Number : 4059110705 (Grant Fire)					
Bank statement balance at beginning of year				0	131 457
Bank statement balance at end of year				0	0
ABSA Bank - Church street Klerksdorp					
Account Number : 4059753993 (Museum)					
Bank statement balance at beginning of year				0	246
Bank statement balance at end of year				0	0
ABSA Bank - Church street Klerksdorp					
Account Number : 950164379 (Stadsraad Water)					
Cash book balance at beginning of year - overdrawn				(1 802)	(2 168)
Cash book balance at end of year				2 697 938	(1 802)
Bank statement balance at beginning of year				47 180	56 029
Bank statement balance at end of year				2 732 058	47 180
ABSA Bank - Church street Klerksdorp					
Account Number : 950000090 (Market)					
Cash book balance at beginning of year				362 937	110 525
Cash book balance at end of year				699 967	362 937
Bank statement balance at beginning of year				1 059 375	1 587 669
Bank statement balance at end of year				1 583 279	1 059 375
ABSA Bank - Church street Klerksdorp					
Account Number : 4059133084 (Mayor's Golf Day)					
Cash book balance at beginning of year				60 472	0
Cash book balance at end of year				66 383	60 472
Bank statement balance at beginning of year				61 836	0
Bank statement balance at end of year				71 383	61 836
CASH ADVANCES					
Petty Cash				57 175	58 675
Total Cash Advances				57 175	58 675
Total Cash balances				32 667 396	23 879 196
Total Overdrafts balances				0	(1 802)
Total Cash and overdrafts balances				32 667 396	23 877 394



CITY OF MATLOSANA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007				
			2007 R	2006 R
16 PROPERTY RATES				
Actual				
Residential and commercial			96 763 731	88 812 858
Agricultural			2 585 394	1 466 339
State			3 140 086	3 108 512
Sundry debtors			64 255	78 147
Total Assessment Rates			102 553 466	93 466 856
Valuations			July 2006 R 000	July 2005 R 000
Residential and commercial			577 563	554 707
Agricultural			39 736	26 074
State			19 105	20 289
Municipal and farms			386 882	397 339
Total Property Valuations			1 023 286	998 409
			2007 R	2006 R
17 SERVICE CHARGES				
Sale of electricity			185 310 020	172 842 277
Sale of water			106 917 887	96 419 543
Refuse removal			45 212 536	39 903 323
Sewerage and sanitation charges			53 791 700	49 407 533
Total Service Charges			391 232 142	358 572 676
			2007 R	2006 R
18 GRANTS AND SUBSIDIES				
Equitable share			111 881 887	93 000 771
Provincial LED Projects			0	779 831
Provincial health subsidies			6 949 629	8 199 244
Finance Management Grant			500 000	464 904
Development Bank of South Africa			0	40 678
Eskom Demand Side Management			14 734 284	0
District Municipality Environmental Health			2 908 474	2 156 000
District Municipality - operational grants			5 000 000	0
District Municipality Capital assets grants			27 356 943	18 767 404
Lotto Capital asset grant			0	818 733
Anglo Gold Ashanti Capital assets grants			76 500	1 600 400
MIG Grant			65 043 165	44 716 860
National Electricity Regulator			496 900	3 099 235
Provincial capital grants			1 510 072	9 331 206
Department of Water Affairs			0	41 400
Total Government Grant and Subsidies			236 457 854	183 016 667
18.1 Equitable Share				
In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive a monthly subsidy of R 144.16 (2007: R 46 791 713), which is funded from this grant.				
18.2 Provincial Health Subsidies				
Balance unspent at beginning of year			0	0
Current year receipts - included in public health vote			6 949 629	8 199 244
Conditions met - transferred to revenue			(10 153 811)	(8 199 244)
Conditions still to be met - transferred to liabilities (see note 6)			(3 204 181)	0
The Municipality primarily renders health services on behalf of the Provincial Government and is refunded approximately 80% of total expenditure incurred. This grant has been used exclusively to fund clinic services (included in the public health vote in Appendix D). The conditions of the grant have been met. There was no delay or withholding of the subsidy.				



CITY OF MATLOSANA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007				
			2007 R	2006 R
18.3 Eskom Demand Side Management				
Balance unspent at beginning of year				
Current year receipts - included in public health vote			14 734 284	0
Conditions met - transferred to capital expenditure			(14 734 284)	0
Conditions still to be met - transferred to liabilities (see note 6)			0	0
Council received capital grant from Eskom for demand side management system on the residential sector.				
18.4 District Municipality Environmental				
Balance unspent at beginning of year			0	0
Current year receipts - included in public health vote			2 908 474	2 156 000
Conditions met - transferred to revenue			(3 637 710)	(2 156 000)
Conditions still to be met - transferred to liabilities (see note 6)			(729 236)	0
The Municipality renders environmental services on behalf of the District Municipality and is refunded for expenditure incurred. This grant has been used exclusively to fund environmental service (included in the public health vote in Appendix D). The conditions of the grant have been met. There was no delay or withholding of the subsidy.				
18.5 MIG Grant				
Balance unspent at beginning of year			14 431 202	7 865 651
Current year receipts			60 114 988	51 182 411
Conditions met - transferred to revenue			(65 043 165)	(44 716 860)
Conditions still to be met - transferred to liabilities (see note 6)			9 503 025	14 431 202
This grant was used to construct roads, storm water, streetlights, sewerage and water infrastructure as part of the upgrading of informal settlement areas (included in the roads and sewerage votes in Appendix B). No funds have been withheld.				
18.6 Provincial LED Projects				
Balance unspent at beginning of year			1 238 990	1 792 443
Current year receipts			0	226 378
Conditions met - transferred to revenue			(382 900)	(779 831)
Conditions still to be met - transferred to liabilities (see note 6)			856 090	1 238 990
Provincial LED Projects grants are used to promote Small, Medium and Micro Enterprises. The grant is spent in accordance with a business plan approved by the Provincial Government (included in Local Economic development and Procurement vote in Appendix D). No funds have been withheld.				
18.7 Provincial Capital Grants				
Balance unspent at beginning of year			8 305 780	10 018 949
Current year receipts			33 875 340	7 618 038
Conditions met - transferred to revenue			(1 510 072)	(9 331 206)
Conditions still to be met - transferred to liabilities (see note 6)			40 671 048	8 305 780
Provincial capital grants are used to upgrade libraries, construct heritage assets, transport museum, supply water and sanitation to farm schools, bucket eradication and supply electricity and sewerage to the prison. The grant is spent in accordance with a business plan approved by the Provincial Government (included in Appendix D). No funds have been withheld.				

CITY OF MATLOSANA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

			2007 R	2006 R
18.8 National Electricity Regulator				
Balance unspent at beginning of year			541 790	(858 975)
Current year receipts			2 264 000	4 300 000
Conditions met - transferred to revenue			(2 308 890)	(3 099 235)
Conditions still to be met - transferred to liabilities (see note 6 (2005/2006) and 13 (2004/2005) other debtors)			496 900	541 790
National Electricity Regulator grants are used supply electricity to consumers. The grant is spent in accordance with a business plan approved by the N.E.R.(included in Appendix D). No funds have been withheld.				
18.9 Finance Management Grant				
Balance unspent at beginning of year			3 355 288	2 820 192
Current year receipts			500 000	1 000 000
Conditions met - transferred to revenue			(2 103 467)	(441 754)
Conditions met - transferred to capital expenditure			(2 200)	(23 150)
Conditions still to be met - transferred to liabilities (see note 6)			1 749 621	3 355 288
Finance Management Grant is used to support the municipality with National Treasury budget and financial reforms. The grant is spent in accordance with a the guidelines of National Treasury. included in Appendix D). No funds have been withheld.				
18.10 Development Bank of South Africa				
Balance unspent at beginning of year			0	40 678
Current year receipts			0	0
Conditions met - transferred to revenue			0	(40 678)
Conditions met - transferred to capital expenditure			0	0
Conditions still to be met - transferred to liabilities (see note 6)			0	0
The grant received in 2006 from the Development Bank of South Africa is used support the Municipality with debt collection. The grant was spent in accordance with a business plan approved by the Development Bank of South Africa. included in Appendix D). No funds have been withheld.				
18.11 Department of Water Affairs				
Balance unspent at beginning of year			608 600	0
Current year receipts			0	650 000
Conditions met - transferred to revenue			0	(41 400)
Conditions met - transferred to capital expenditure			0	0
Conditions still to be met - transferred to liabilities (see note 6)			608 600	608 600
The grant received from the Department of Water Affairs is used support the Municipality with the relieving of drought. The grant is spent in accordance with a business plan approved by the Department of Water Affairs. included in Appendix D). No funds have been withheld.				
18.12 Provincial Government Grants				
Balance unspent at beginning of year			50 000	0
Current year receipts			0	50 000
Conditions met - transferred to revenue			0	0
Conditions met - transferred to capital expenditure			(50 000)	0
Conditions still to be met - transferred to liabilities (see note 6)			0	50 000
The grant received from the Provincial Government is used support the Municipality with the development of the Museum. The grant is spent in accordance with a business plan approved by the Provincial Government. included in Appendix D). No funds have been withheld.				
18.13 District Municipality Grants				
Balance unspent at beginning of year			0	(92 618)
Current year receipts			5 000 000	92 618
Conditions met - transferred to revenue			0	0
Conditions met - transferred to operational expenditure			(5 000 000)	0
Conditions still to be met - transferred to liabilities (see note 6)			0	0
The grant received from the District Municipality is used to support the Municipality with the repair and maintenance of fire vehicles,environmental man youth and 2010 world cup projects. Included in Appendix D). No funds have been withheld.				



CITY OF MATLOSANA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007				
			2007 R	2006 R
18.14 District Municipality Capital Grants				
Balance unspent at beginning of year			0	18 787 404
Current year receipts			27 356 943	0
Conditions met - transferred to revenue			0	0
Conditions met - transferred to capital expenditure			(27 356 943)	(18 787 404)
Conditions still to be met - transferred to liabilities			0	0
Various capital grant in the form of assets were received from the District Municipality as support to the Municipality and is included in Appendix D). No assets have been withheld.				
18.15 LOTTO Capital Grants				
Balance unspent at beginning of year			0	0
Current year receipts			0	818 733
Conditions met - transferred to revenue			0	0
Conditions met - transferred to capital expenditure			0	(818 733)
Conditions still to be met - transferred to liabilities			0	0
Capital grant in the form of asset was received from the Lotto funds as support to the Municipality and is included in Appendix D). No assets have been withheld.				
18.16 Anglo Gold Ashanti Capital Grants				
Balance unspent at beginning of year			0	0
Current year receipts			76 500	1 600 400
Conditions met - transferred to revenue			0	0
Conditions met - transferred to capital expenditure			(76 500)	(1 600 400)
Conditions still to be met - transferred to liabilities			0	0
Capital grant in the form of asset was received from the Anglo Gold Ashanti funds as support to the Municipality and is included in Appendix D). No assets have been withheld.				
18.17 Changes in levels of government grants				
Based on the allocations set out in the Division of Revenue Act, (Act 1 of 2005), no significant changes in the level of government grant funding are expected over the forthcoming 3 financial years.				
			2007 R	2006 R
19 OTHER INCOME				
Abattoir			0	0
Connections			885 522	893 354
Commissions on services rendered			559 113	558 281
Provincial Government Commission on Licenses			5 624 334	4 704 402
Fees Burial			891 077	872 213
Fees Parking			370 552	427 251
Fees Ripe and Cool			346 340	436 794
Legal Costs			1 991 383	1 843 075
Provincial Government Motors Direct			4 961	843 471
MIG project management unit			561 893	789 599
Job costing			2 000 835	1 599 342
Recovery of impairment of investment			59 954	0
Revaluation of Shares			16 301	0
Sale of Stands			5 176 085	1 574 933
Seta Training			795 911	1 235 367
Transfer from unappropriated surplus			0	1 386 867
Transfer from leave provision			2 926 780	4 411 897
Unclaimed Moneys			678 996	
Wild Stock			1 219 525	456 838
Other none material income			2 081 130	2 891 098
Total Other Income			26 190 691	24 724 779
The basis of greater than R500 000 and disclosure i.t.o. GAP1.99 (Shares & investment impairment) were used to indicated the breakdown of other income.				

CITY OF MATLOSANA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

			2007	2006
			R	R
20 EMPLOYEE RELATED COSTS				
Employee related costs - Salaries, wages and other allowances			146 081 279	134 897 103
Employee related costs - Contributions for pensions, UIF, group insurance and medical aids			44 909 117	38 987 808
Travel and motor car allowances			4 972 385	4 723 730
Housing benefits and allowances			1 307 393	1 325 091
Overtime payments			8 951 105	6 984 967
Performance bonus			296 769	295 474
Less: Employee costs unauthorized to Property, Plant and Equipment			(307 429)	(889 417)
Total Employee Related Costs			206 210 619	186 304 754
There were no advances to employees. Loans to employees are set out in note 10.				
Remuneration of the Municipal Manager				
Annual Remuneration : Package			447 750	765 013
Performance Bonuses			60 589	74 480
Car Allowance			0	0
Contributions to UIF, Medical and Pension Funds			0	0
Total			508 339	839 493
Remuneration of the Chief Finance Officer				
Annual Remuneration : Package (Section 57 appointment from 15 March 2007)			187 456	0
Performance Bonuses			0	0
Car Allowance			0	0
Contributions to UIF, Medical and Pension Funds			0	0
Total			187 456	0
Remuneration of Managers				
30 June 2007				
	Director Infrastructure & Utilities : Section 57 appointment from 1 July 2007	Director Municipal & Social Services : Section 57 appointment from 4 December 2006	Director Corporate Services & Governance : Section 57 appointment from 12 January 2007	Director Economic Development & Procurement : Section 57 appointment from 1 January 2007
Annual Remuneration : Package	0	365 122	303 452	276 923
Performance Bonuses	0	0	0	0
Car Allowance	0	0	0	0
Contributions to UIF, Medical and Pension Funds	0	0	0	0
Total	0	365 122	303 452	276 923
30 June 2007				
	Deputy Municipal Manager: Technical	Deputy Municipal Manager: Administration	Public Safety Services	Health Services
Annual Remuneration	320 573	275 284	258 984	337 843
Performance Bonuses	64 630	49 056	0	0
Car Allowance	0	0	66 627	48 659
Contributions to UIF, Medical and Pension Funds	0	0	76 176	71 971
Total	385 203	324 340	401 787	458 473



CITY OF MATLOSANA				
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007				
			2007	2006
			R	R
	Community Services	Housing Services	City Civil Engineer	City Electrical Engineer
Annual Remuneration	258 984	222 420	258 984	222 420
Performance Bonuses	0	0	0	0
Car Allowance	82 630	41 473	74 480	64 827
Contributions to UIF, Medical and Pension Funds	70 602	50 244	90 458	87 144
Total	412 216	314 137	423 920	354 391
	Corporate Services	Market Master	Local Economic Development and Procurement	Manager Financial Services
Annual Remuneration	258 984	133 407	222 420	180 395
Performance Bonuses	0	0	0	0
Car Allowance	66 387	40 732	67 140	80 348
Contributions to UIF, Medical and Pension Funds	64 778	39 689	81 675	59 023
Total	390 149	213 828	371 235	319 766
30 June 2006	Deputy Municipal Manager: Technical	Deputy Municipal Manager: Administration	Public Safety Services	Health Services
Annual Remuneration	648 894	648 894	239 532	239 532
Performance Bonuses	63 175	47 749	0	0
Car Allowance	0	0	78 765	29 218
Contributions to UIF, Medical and Pension Funds	0	0	68 572	53 220
Total	712 069	696 643	386 869	321 970
	Community Services	Housing Services	City Civil Engineer	City Electrical Engineer
Annual Remuneration	239 532	236 125	239 532	239 532
Performance Bonuses	0	0	0	0
Car Allowance	78 346	41 473	74 062	75 511
Contributions to UIF, Medical and Pension Funds	64 987	48 127	77 285	62 929
Total	382 865	325 725	390 879	377 972
	Corporate Services	Market Master	Local Economic Development and Procurement	Manager Financial Services
Annual Remuneration	269 244	206 724	206 724	363 263
Performance Bonuses	0	0	0	0
Car Allowance	67 045	63 771	63 149	120 249
Contributions to UIF, Medical and Pension Funds	61 661	63 457	33 431	83 123
Total	397 950	333 952	303 304	566 635



CITY OF MATLOSANA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

		2007 R	2006 R
21 REMUNERATION OF COUNCILORS			
Executive Mayor		458 004	373 071
Speaker		381 891	341 958
Mayoral Committee Members (Councillors: 8)		3 207 666	3 416 553
Councillors (Councillors: 51)		6 785 132	5 079 218
Councillors pension contribution		0	870 793
Councillors medical contribution		0	316 089
Total Councilors' Remuneration		10 812 693	10 397 661
The Executive Mayor, Deputy Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of Council. The Executive Mayor has use of a Council owned vehicle for official duties.			
		2007 R	2006 R
22 INTEREST PAID			
Long-term liabilities		18 933 733	24 679 973
Finance leases		0	0
Bank overdraft		0	0
Total Interest on External Borrowings		18 933 733	24 679 973
Interest was paid to lenders as indicated in Appendix A			
		2007 R	2006 R
23 BULK PURCHASES			
Electricity		105 660 613	95 247 408
Water		75 215 872	63 554 272
Total Bulk Purchases		180 876 485	158 801 679
Electricity and water are supplied by Eskom and Midvaal Water Company. Residence of Hartbeesfontein are supplied with water purchased from a private individual.			
		2007 R	2006 R
24 GRANTS AND SUBSIDIES PAID			
Total Grants and Subsidies		0	0
		2007 R	2006 R
25 GENERAL EXPENSES			
Included in general expenses are the following expenditure			
Assessment rates		2 108 970	2 008 550
Consultants		1 771 643	1 874 397
Consumables		1 721 983	0
Free Basic Services		46 792 919	40 486 905
Hire computer equipment		962 302	1 003 457
Insurance W.C.A		2 640 263	1 048 262
Insurance short-term		2 443 757	2 204 620
Levy skills development		1 531 028	1 434 084
Longterm liability: District Municipality		7 287 555	0
Mayor's special projects		617 574	2 304 246
Meter readings		3 429 024	3 194 506
Postage		2 480 616	2 294 382
Printing and stationeries		1 938 656	1 750 473
Security		2 995 009	2 701 450
Telephone and call charges		3 094 665	2 956 508
Vehicle charges		9 890 870	8 051 253
The list above represent general expenditure above R1 million. The difference of approximately R 38 million is made up by other non-material operating expenditure.			



CITY OF MATLOSANA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007				
			2007 R	2006 R
26 SURPLUS OF ASSOCIATE				
Share of retained profit on the equity method			0	0
			2007 R	2006 R
27 CHANGE IN ACCOUNTING POLICY - IMPLEMENTATION OF GRAP				
The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GRAP:				
27.1 Statutory Funds				
Balance previously reported:				
Asset Financing Fund				
Total			0	0
Implementation of GRAP				
Transferred to Capital Replacement Reserve				
Total			0	0
27.2 Non-Distributable Reserves				
Balance previously reported:				
Grants (FDR)				
Donations and Contributions (FDR)				
Asset Financing Reserve (FDR)				
Total			0	0
Implementation of GRAP				
Transferred to Government grants and reserves				
Transferred to Donations and public contribution reserve				
Transferred to Capitalization Reserve				
Total			0	0
27.3 Property, plant and equipment				
Balance previously reported			0	0
Implementation of GRAP				
Infrastructure previously not recorded credited to Accumulated Surplus/(Deficit)				
Total			0	0
27.4 Accumulated Depreciation				
Balance previously reported			0	0
Implementation of GRAP				
Backlog depreciation: Land and buildings				
Backlog depreciation: Infrastructure				
Backlog depreciation: Community				
Backlog depreciation: Other				
Backlog depreciation: Housing Development Fund				
Total			0	0
27.5 Accumulated Surplus/(Deficit)				
Transferred from statutory funds				
Transferred from Non-distributable Reserves				
Transferred from Property, plant and equipment				
Backlog depreciation				
Total			0	0
Council has converted the accounting records from the old funds accounting method to GAMAP during the financial year ended 30 June 2003.				

